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1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE NORTHERN DISTRICT OF ALABAMA
3 SOUTHERN DIVISION

4 UNITED STATES OF AMERICA, *

5 v. *

6 EMERY HARRIS, * Case No. CR-03-J-157-S

7 Defendant. *

8 *

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11 UNITED STATES OF AMERICA, *

12 v. *

13 ANGELA C. AYERS, * Case No. CR-03-J-183-S

CATHY C. EDWARDS,

14 REBECCA KAY MORGAN, *

and VIRGINIA B. VALENTINE,

15 *

Defendants.

16 *

17 *****

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19 TRANSCRIPT OF SENTENCING HEARING
20 BEFORE THE HONORABLE INGE P. JOHNSON
21 UNITED STATES DISTRICT JUDGE

22 Volume II

23 November 13, 2003

24 11:00 a.m.

25 Birmingham, Alabama

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1 quarter since inception, we have all met expectations.

2 THE COURT: Okay.

3 THE WITNESS: So I think everyone understood that we
4 were to continue that charge of never missing expectations.

5 THE COURT: Who is "The Family," quote/unquote, in
6 your opinion?

7 THE WITNESS: The family, I believe, originated -- and
8 this is just my opinion, originated with, you know, Bill Owens
9 and Mike Martin, maybe Aaron Beam and Mr. Scrushy.

10 And then, you know, I guess it was in late 1999 where
11 I was asked to come to a meeting to pick up some adjustments
12 and then I was asked to just, you know, stay in the meeting for
13 a little bit, you know, we might have some more stuff for you.

14 And then the next quarter when we had another meeting
15 it was, why don't you come so you can take notes from the
16 beginning. And then one day, I think it was probably early
17 2000 or maybe it was in late 1999, Mr. Owens just made the
18 comment that, welcome to the family, you know. And he would
19 kind of laugh.

20 And then also kind of -- I don't know if it came about
21 at the time when -- it was at the end of one quarter we were up
22 there one night, you know, trying to get financials completed,
23 and Mike Martin called us. It was Kay Morgan, myself and Ken
24 Livesay and Bill Owens working. Mike Martin called from his
25 house and he said, I want y'all to listen to this message that

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1 I've received.

2 THE COURT: Who called?

3 THE WITNESS: Mike Martin.

4 THE COURT: Okay.

5 THE WITNESS: Mike Martin had received a voice mail

6 from a gentleman, his first name was Ben, I'm not sure of his

7 last name, but he worked for one of the analyst groups. It

8 might have been U.S. Warburg.

9 THE COURT: War --

10 THE WITNESS: Warburg.

11 THE COURT: Okay.

12 THE WITNESS: He let us listen to the message and he

13 said, this is what I'm up against and this is why I asked you

14 to do the things I asked you to do. Ben, in this message,

15 discussed that it was important for him to lay down for the

16 family and do what was right. And there was a lot of people

17 counting on you to make things happen this quarter. We're

18 expecting big things, you know. If you don't lay down for the

19 family, you'll get whacked.

20 And he let us listen to that message and told us that

21 that's why he asked us to do the things that he's asked us to

22 do, and he just wanted to share that with us.

23 THE COURT: Okay.

24 THE WITNESS: And I think because of that message is

25 when "The Family" term got really --

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1 THE COURT: Started?

2 THE WITNESS: -- more relevant. You know, you are
3 doing this for the family.

4 THE COURT: But you are not related to anybody by
5 blood or marriage?

6 THE WITNESS: No, ma'am. We're -- I think we're --
7 especially the five of us are very close to consider each other
8 family, but not in the sense that it's been publicized.

9 THE COURT: Okay. I don't have any more questions.

10 MR. SALTER: No questions, Your Honor.

11 MR. SMITH: The government does, Your Honor, briefly.

12 THE COURT: Okay. I want to just tell y'all, and this
13 is not necessarily on the record. It was reported to me that
14 some news media reported that these people that are here in
15 court today for sentencing received heavy prison sentences
16 today. I don't know what court they were talking about, but I
17 just want to set the record straight that it wasn't in this
18 court.

19 MR. SALTER: Your Honor, I think he had that piece of
20 information that you asked about, that you discussed.

21 THE COURT: I don't necessarily need it. I can look
22 it up myself.

23 MR. SALTER: Thank you, Judge.

24 THE COURT: I just want to make sure. There are
25 several days that I want to look up, and I can just look it up